

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 2001-164-W/S - ORDER NO. 2006-54  
JANUARY 24, 2006

IN RE: Application of Kiawah Island Utility, Inc. for Approval of an Increase in Rates and Charges for Water and Sewer Service	) ORDER APPROVING ) INCREASE DUE TO ) INCREASE IN ) WHOLESALE RATES
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This matter comes before the Public Service Commission of South Carolina (the Commission) on the request of Kiawah Island Utility, Inc. (Kiawah or the Company) for review and approval of an increase in the Company's rates for potable water to its customers as a result of an increase in the wholesale cost of potable water that it purchases from St. Johns Water Company. The request is submitted pursuant to the procedures set forth in the document known as "Purchased Water Adjustment," which was approved by this Commission in Order Nos. 2002-285 and 2002-517. The purpose of the passthrough outlined in this document was to allow a simple procedure for increasing the rates for potable water to the Company's customers in the identical amount of any increase in the wholesale rate charged to the Company by St. Johns Water Company. The Commission last approved a similar request in its Order No. 2004-597.

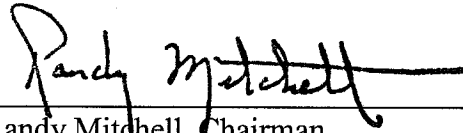
In the present matter, the Company is proposing to increase the rate for potable water to all classes of customers in the amount of \$.13 per thousand gallons, the identical amount of the increase in the Company's cost of wholesale potable water imposed by St. John's Water Company. In support of this request, Kiawah enclosed a copy of a letter

from Becky Dennis, General Manager of Kiawah, outlining the basis for the request, and including a table showing the current rates and the proposed new rates as well as the background correspondence from St. Johns Water Company and the Commissioners of Public Works of the City of Charleston, documenting the increase in the Company's cost of wholesale potable water. The Company proposes to implement the increase in its March 2006 monthly billings. Kiawah states that it will furnish thirty (30) days prior written notice to its customers of the amount of the adjustment, the basis for it, and the adjustment's effective date. The Office of Regulatory Staff (ORS) does not oppose the requested increase.

We have reviewed the proposal. Kiawah was not able to give this Commission sixty (60) days notice of the increase, due to the fact that it did not receive notification of the amount of the increase until December 14, 2005. Other than this, Kiawah complied with the procedure for submitting rate increases due to increases in the wholesale cost of water. Accordingly, we approve the request as filed. Kiawah shall furnish thirty (30) days notice of the increase to its customers as outlined by it in its request.

This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

A handwritten signature in black ink, appearing to read "Randy Mitchell", written over a horizontal line.

Randy Mitchell, Chairman

ATTEST:

A handwritten signature in black ink, appearing to read "G. O'Neal Hamilton", written over a horizontal line.

G. O'Neal Hamilton, Vice-Chairman

(SEAL)